



MAS Real Estate Inc.

Registered in the British Virgin Islands

Registration number 1750199

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JSE share code: MSP

("MAS" or the "Company")

MAS EXPANDS INTO BULGARIA

Wednesday, 19 April 2017. MAS Real Estate Inc. ("MAS"), a commercial property investor, developer and operator listed on the JSE and Bourse de Luxembourg, today announced the acquisition of two shopping malls in Bulgaria, for €62million. The malls have been acquired from Globe Trade Centre S.A. and European Bank for Reconstruction and Development. The Galleria Burgas Mall and the Galleria Stara Zagora Mall and are located in the Bulgarian cities of Burgas and Stara Zagora respectively.

"We are very pleased with the acquisition of the Galleria Burgas and Galleria Stara Zagora malls. This transaction is in line with our plans to expand into markets with growing economies across Central and Eastern Europe ("CEE") by acquiring accretive income-generating assets with real upside potential through our joint venture with Prime Kapital.

"The transaction increases our income-generating property portfolio by 15,3% from EUR406,4 million to EUR468,4 million," says Lukas Nakos, CEO of MAS.

Galleria Burgas is the dominant shopping centre in Burgas, the 4th largest Bulgarian city with a population of 200,000. The mall benefits from a total catchment area of approximately 480,000 people within 60 minutes' drive, as well as a significant number of tourists during the summer holiday season, the city being in the vicinity of the most popular Black Sea resorts on the Bulgarian coast. The mall is centrally located in the northern area of the city with excellent visibility from and access to a major boulevard in front of the mall and is well served by public transport.

"Galleria Burgas has a broad tenant mix consisting of 115 tenants including primarily international fashion and entertainment brands (including Bershka, CCC, Cinema City, Deichmann, H&M, Humanic, Ikea, Intersport, LC Waikiki, Lee Cooper, Lidl, Massimo Dutti, Oysho, Terranova and Zara). Due to strong performance and tenant demand, a significant centre extension is being considered with the intention to enhance the earnings from this asset," commented Nakos.

Galleria Stara Zagora is the dominant shopping centre in Stara Zagora, the 6th largest Bulgarian city. The mall benefits from a total catchment of approximately 400,000 people within 45 minutes' drive. The

mall is centrally located, has excellent visibility being positioned at the crossroads of two main city boulevards and is served by public transport. The tenant mix is focused primarily on fashion and entertainment and consists of 71 tenants (which includes brands such as Bershka, Cinema City, CCC, Deichmann, DM, H&M, Intersport, Kenvelo, LC Waikiki, New Yorker, Nike, Pull&Bear and Stradivarius).

“Galleria Stara Zagora is in need of refurbishment and offers value enhancing opportunities through operational streamlining and commercial layout improvement. With our asset management expertise we have formulated an approach to improve the operational capacity of the mall with the intention to enhance the net income earned from the asset,” says Nakos.

MAS' effective economic interest in the acquisition is the equivalent of an 80% direct participation in the performance of the malls and a 20% participation at the weighted average cost of funding achieved by the acquisition in line with the previously announced co-investment agreement with Prime Kapital.

“This acquisition forms part of our investment JV with Prime Kapital, and demonstrates the team’s ability to access outstanding accretive deal flow.

The continuous increase in purchasing power within these regions underpins the investment case in the region in general, and for these two acquisitions in particular. We remain focused on delivering high quality and growing income distribution per share to shareholders. Our expansion strategy is on track and we are excited about the future pipeline of the company,” concluded Nakos.

- ENDS

ENQUIRIES

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NOTES TO EDITOR

MAS Real Estate Inc. (“MAS”) is a commercial property investor, developer and operator that is listed on the main board of the Johannesburg Stock Exchange (“JSE”) and the Euro-MTF market of the Bourse de Luxembourg.

MAS has a strategic alliance with Prime Kapital, led by Martin Slabbert and Victor Semionov, former directors of JSE-listed New Europe Property Investments (Nepi).

MAS’ strategy is to generate sustainable and growing distributable earnings per share by acquiring, developing and operating retail, office, industrial and hotel assets in Western Europe and Central and Eastern Europe. Where exceptional opportunities arise, the group will embark on mixed-use or residential developments with the view to either generate recurring income, such as campuses leased to universities, or capital gains. The company aims to distribute all of its distributable earnings on a semi-annual basis, with distribution of capital and other profits at the discretion of the directors.

LEADERSHIP AND MANAGEMENT TEAM

MAS is internally managed, combining investment, development and asset management skills. Developments are undertaken by teaming up with strong developers that have intimate knowledge of the local markets and by agreeing terms that lead to a strong alignment of interests.

Executive Directors

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|-------------------|--------------------------|
| ▪ Lukas Nakos | Chief Executive Officer |
| ▪ Malcolm Levy | Chief Financial Officer |
| ▪ Jonathan Knight | Chief Investment Officer |

Non-Executive Directors

- | | |
|---------------------|------------------------------------|
| ▪ Pierre Goosen | Non-Executive Director |
| ▪ Jaco Jansen | Non-Executive Director |
| ▪ Ron Spencer | Independent Non-Executive Chairman |
| ▪ Gideon Oosthuizen | Independent Non-Executive Director |
| ▪ Morne Wilken | Non-Executive Director |